

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2650 – HB 3014

May 24, 2010

**SUMMARY OF AMENDMENTS (014921, 016284, 018908):** Amendment 014921 deletes all language following the enacting clause and requires any licensing authority in the state to suspend, deny, or revoke the license of a person who has defaulted on repayment of a federal family education loan, a student loan guaranteed or administered by the Tennessee Student Assistance Corporation (TSAC), or any other state or federal education or service-conditional loan or scholarship program upon notification of default from TSAC or another guarantee agent. Requires TSAC to provide the debtor notice of suspension, denial, or revocation at least 90 days prior to action unless the debtor pays the entire debt, enters into a payment plan with the guarantor, requests and qualifies for deferment or forbearance, or requests a hearing in writing within 20 days of notice. Requires the Secretary of State to take disciplinary action against any registered athlete agent or applicant for registration that has defaulted on repayment or service obligation. Requires the Tennessee Ethics Commission to take disciplinary action against any registered lobbyist or applicant for registration that has defaulted on repayment or service obligation. Requires the State Board of Education to suspend, deny, or revoke the license of a teacher who is delinquent or in default on a repayment of loan or service obligation. Authorizes TSAC to promulgate rules to determine whether lawyers licensed by the Tennessee Supreme Court and any other profession, trade, occupation, business, or industry licensed by an agency in Tennessee is in default or delinquent on any obligation or repayment under a Federal loan program or program guaranteed or administered by TSAC. Upon determination a service obligation or debt has been satisfied in full, requires TSAC to issue an order that terminates the suspension, denial, or revocation of license. Amendment 016284 exempts insurance producers for educational requirements for re-instatement of licensure if they have been continuously licensed since January 1, 1994, not including any period of time that the producer surrendered their license to serve as Commissioner of Commerce and Insurance and is reinstating their license upon leaving their service as Commissioner. Amendment 018908 establishes specific disciplinary action as suspension, denial, or revocation of license for default or delinquency on a repayment of loan or service obligation. Requires TSAC to promulgate rules to determine whether a lawyer licensed by the Tennessee Supreme Court, or any other licensed individual in the state is delinquent or in default of a repayment of loan or service obligation.

**CORRECTED FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue - \$108,300/FY10-11/Division of Regulatory Boards  
\$216,600/FY11-12 and Subsequent Years/Division of  
Regulatory Boards

Increase State Expenditures – \$19,100/FY10-11/General Fund

**SB 2650 – HB 3014**

\$108,300/FY10-11/Division of Regulatory Boards  
\$38,200/FY11-12 and Subsequent Years/General Fund  
\$216,600/FY11-12 and Subsequent Years/Division of  
Regulatory Boards

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

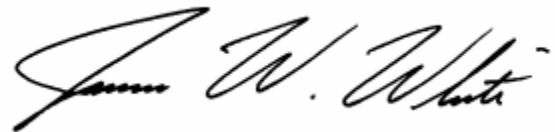
### **Increase State Expenditures – Not Significant**

Assumptions applied to amendments:

- According to TSAC, any cost for the additional step in approval of new applications or renewals and the promulgation of rules and regulations can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Department of Commerce and Insurance, establishing specific disciplinary actions to be taken will eliminate the need for additional hearings. Enforcement of disciplinary actions determined by TSAC can be accommodated within existing resources without an increased appropriation or reduced reversion.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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